

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 0349-05  
Bill No.: SB 369  
Subject: Education, Elementary and Secondary; Elementary and Secondary Education  
Department; Boards, Commissions, Committees, Councils; Transportation;  
Property, Real and Personal  
Type: Original  
Date: March 8, 2011

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Bill Summary: This proposal establishes procedures for resident pupils of an unaccredited school district to enroll in another school in the same or adjoining county.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
General Revenue	(Unknown)	(Unknown)	(Unknown)
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>(Unknown)</b>	<b>(Unknown)</b>	<b>(Unknown)</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 8 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

☐ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☐ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
<b>Local Government</b>	<b>Unknown or (Unknown)</b>	<b>Unknown or (Unknown)</b>	<b>Unknown or (Unknown)</b>

## FISCAL ANALYSIS

### ASSUMPTION

Officials from the **Department of Elementary and Secondary Education (DESE)** provided the following assumptions regarding this proposed legislation:

#### §167.131.5 (2) - “Student Transfer Administrator”

This is a duplication of services that are currently being provided by the Voluntary Interdistrict Choice Corporation (VICC)

#### §167.131.5(2) (b)

The coordination of the transportation for these students by DESE will result in significant unknown costs.

#### §167.131.8(1)

Providing counselors for student transfers. There is no way to determine how much this would cost but would include hiring counselors. DESE assumes significant costs.

#### §177.015

DESE assumes there would be an unknown cost, if the state is required to give property to another entity should any outstanding debt exist on bond issues. Further, the requirement to allow use "free of charge" could carry significant cost to the state for maintenance, upkeep, and utilities. The language implies the district could not extract fees for use. This would result in significant unknown costs.

Overall, DESE assumes there could be a significant number of private school students who take advantage of this proposal making the overall costs higher.

**Oversight** assumes there could be a transfer of state aid between districts. It is unknown if certain adjoining school districts to unaccredited school districts would see a reduction or increase in state aid. For fiscal purposes only, Oversight will show the impact on school districts affected as Unknown or (Unknown)

Officials from the **University of Missouri - St Louis** (Charter School Sponsor) assumed the changes made in this proposal would not affect their schools financially.

ASSUMPTION (continued)

Officials from **St Louis University** (Charter School Sponsor) state they anticipate neither positive nor negative fiscal impact.

**This proposal was sent to several school districts who could be affected by this proposed legislation, none of which responded to a request for fiscal impact.**

**This proposal was sent to the City of St Louis, which did not respond to a request for fiscal impact.**

<u>FISCAL IMPACT - State Government</u>	FY 2012 (10 Mo.)	FY 2013	FY 2014
<b>GENERAL REVENUE</b>			
<u>Cost</u> - Department of Elementary and Secondary Education - Transportation coordination (§167.131.5 (b) )	(Unknown)	(Unknown)	(Unknown)
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE</b>	<b><u>(Unknown)</u></b>	<b><u>(Unknown)</u></b>	<b><u>(Unknown)</u></b>
<u>FISCAL IMPACT - Local Government</u>	FY 2012 (10 Mo.)	FY 2013	FY 2014
<b>LOCAL POLITICAL SUBDIVISIONS</b>			
<u>Cost</u> - School Districts - Counselors (§167.131.8 (1))	(Unknown)	(Unknown)	(Unknown)
<u>Cost</u> - School Districts - Building facilities (§177.015)	(Unknown)	(Unknown)	(Unknown)
<u>Cost</u> - School Districts - State aid adjustments	Unknown or <u>(Unknown)</u>	Unknown or <u>(Unknown)</u>	Unknown or <u>(Unknown)</u>
<b>ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS</b>	<b><u>Unknown or (Unknown)</u></b>	<b><u>Unknown or (Unknown)</u></b>	<b><u>Unknown or (Unknown)</u></b>

### FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

### FISCAL DESCRIPTION

This act modifies provisions relating to school enrollment. Current law provides that the school board of an unaccredited school district must pay the tuition and transportation for resident students who attend an accredited school in another district of the same or an adjoining county. This proposal adds enrollment procedures for students to follow when changing school districts. In addition, this proposal adds options for school districts to educate nonresident students and gives new enrollment options to residents students of an unaccredited district.

Charter schools may operate in any accredited school district that may receive students from an unaccredited school district and may enroll resident students of the unaccredited district under §167.131.

#### §160.420.8

This section allows charter schools to charge tuition. A charter school that enrolls nonresident pupils from an unaccredited district may receive tuition payments for those students.

#### §167.131

The student transfer administrator must make counselors available to assist parents to enroll their child, who must advise the parent on education options available to the pupil and assist them in preparing any necessary applications or additional paperwork. The parent or guardian must identify five educational options for the student transfer administrator. At least one accredited district must be listed on the form if approved by the parent. The student transfer administrator must enroll the pupil in one of the five identified options, based on availability. If none of the options are available, the administrator must advise the parent on additional options that may be available. The student transfer administrator must obtain separate approval from the parent or guardian prior to enrolling the child in a program consisting solely of virtual education. A pupil who enrolls in one of his or her five selected options may return to the school district of residence but may not enroll in another school under this section.

The student transfer administrator may receive an administrative fee of up to five hundred dollars, as described in the proposal.

FISCAL DESCRIPTION (continued)

Student transfers between the St. Louis City School District and school districts located in St. Louis County, and amongst districts located in St. Louis County, will be administered by the Voluntary Interdistrict Coordinating Council, the Department of Elementary and Secondary Education, or a neutral third party appointed by the Department. Student transfers in all other parts of the state will be administered by the Department of Elementary and Secondary Education, or a neutral third party appointed by the Department.

Students residing in an unaccredited district may enroll in an accredited district, a nonsectarian nonpublic school, virtual school, or charter school in the same or an adjoining county.

§167.131.11

This proposal provides different options for receiving districts to educate nonresident students. First, a receiving district may enroll nonresident students in existing school facilities located within the district. Second, a receiving district may purchase or lease additional facilities, including vacant school buildings located in another school district, and operate such facilities as part of the district with teachers employed by the district. Schools may use virtual education at such facilities. Third, a receiving district may contract with an independent, nonpublic school to educate nonresident pupils. Fourth, the receiving district's school board may sponsor charter schools and allow the nonresident students to attend. The school board of an accredited school district may also sponsor a charter school. Nonresident pupils may also attend any other charter school operating in the district.

The school board of the unaccredited district must pay the tuition and transportation of its resident pupils who enroll in another school under this section. Tuition will be based on the cost of maintaining the grade level grouping in the receiving school. In addition, all other aid attributable to the student, including any additional weighted state aid, must be paid to the receiving school.

The unaccredited district must report to the Department of Elementary and Secondary Education (DESE) the number of its resident pupils who enroll in another educational option under this section and the amount of tuition paid on behalf of each student. DESE must withhold the weighted state aid attributable to the pupil from the district of residence's state aid payments. The local county assessor and collector must withhold all local effort attributable to such pupils and forward it to the DESE who will use these funds to pay the tuition to the receiving schools, as described in the act.

DESCRIPTION (continued)

Current law requires the unaccredited district to pay for the student's transportation. The student transfer administrator will be responsible for coordinating transportation for the transfer students. The student's parent or guardian may transport the student to the receiving district without reimbursement. In addition, the parent may transport the student to and from a point on a regular school bus route of the receiving district.

§177.015

This proposal also allows school districts to operate property it owns in another district for resident students of an unaccredited district who are enrolled in an accredited district under §167.131. In addition, any school district that owns school buildings that have not been used for classroom instruction for two consecutive school years must either sell them or make them available for use by an accredited school district, charter school, virtual school, or nonsectarian nonpublic school, free of charge. The sale or lease terms must not include a restriction on using the facilities for educational purposes.

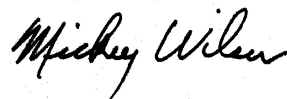
This legislation is not federally mandated and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Elementary and Secondary Education  
Charter School Sponsors  
University of Missouri - St Louis  
St Louis University

NOT RESPONDING

**School Districts**  
**City of St Louis**



Mickey Wilson, CPA  
Director

L.R. No. 0349-05  
Bill No. SB 369  
Page 8 of 8  
March 8, 2011

March 8, 2011

LMD:LR:OD (12/02)